

28 San Francisco Chronicle ★ Thurs., Nov. 16, 1978

U.S. Deputy Director

CIA Called 'Ahead' of Russian Spy Agency

American intelligence overall is superior to that of the Soviet Union, Frank C. Carlucci, deputy director of the Central Intelligence agency, told the Commonwealth Club in San Francisco yesterday.

The KGB, Russia's principal intelligence agency, "has more resources and fewer constraints than the CIA," the official said, "But it also has its disadvantages.

"Technically, we are ahead," Carlucci asserted, "and they carry a lot of ideological baggage. Our analytical capability is far superior to theirs."

He said intelligence organiza-

tions occasionally must submit pessimistic reports to their governments "and I, for one, would not like to be the KGB agent to carry bad news to the Kremlin."

Carlucci, whose speech was interrupted four times by applause said the view of the CIA as a "rogue elephant on the loose" is wrong.

Many of the much-published blunders in American foreign policy that were blamed on the CIA, Carlucci said, occurred because the agency simply followed orders of former secretaries of State or American presidents.

Carlucci, former U.S. am-



FRANK CARLUCCI
He spoke in S.F.

bassador to Portugal, said that because the Soviet Union and the United States are in an "era of strategic parity," this nation depends more upon intelligence gathering than ever before.

"We can simply no longer afford mistakes," Carlucci said.

SANTA BARBARA 18 Nov 78 NEWS
PRESS
SPEAKS HERE

CIA man tells of vital services

The need for good intelligence — to let the U.S. know the intentions of other nations — is more vital today than ever before. Good intelligence will give this country an early warning system that could be the difference between national preservation and destruction.

This was the main message carried to Santa Barbara yesterday by Frank C. Carlucci, deputy director of the Central Intelligence Agency (CIA), when he addressed a joint meeting of the Channel City Club and Women's Forum at the Lobero Theater.

Carlucci said the U.S. must be concerned not only about the intentions of the Soviet Union but "other nations who want to develop nuclear weapons without us knowing about it."

"Today we have to look at the world in terms of regional development since what is happening in one country affects its neighbors," Carlucci said. "Yes, we must be concerned about the Warsaw Pact but there are other important considerations, too. Nothing is isolated. Everything must be put into proper perspective."

Stressing the need for clandestine intelligence to learn what might develop in other countries that would be inimical to U.S. safety, Carlucci said it is of the utmost importance to protect the CIA's sources of information.

"The CIA needs a certain degree of secrecy," he maintained. "We have recently acquired an ally in newspapers when efforts were made to force disclosure of their sources of information."

He pointed out that the newspapers argued that their sources would "dry up" if they were forced to disclose the identity of those providing information. The same holds true for the CIA, Carlucci said, with the added probability that the lives of its agents would be in jeopardy.

Denying charges that the CIA is "a rogue elephant," out of control, Carlucci said that today the CIA is operating under a "proper system of checks and balances" that prevents misuses of power.

He decried, however, the ef-

fects of the Freedom of Information Act that opens CIA files to those "in the business to expose CIA agents overseas."

"It makes no sense," he said. "But if the KGB (Russian secret police) requested information from our files we would be obligated to reply within 10 days."

In answer to a question from the audience, Carlucci said the CIA is equipped to alert the U.S. in advance of a nuclear attack.

"It may be weeks, days or hours in advance," he said. After a pause, he added:

"It's a sobering thought. But I assure you that if they hit us first, we will have the power to strike back with more force."

—Tom O'Brien

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November 20, 1978

Honorable Frank C. Carlucci
 Deputy Director, CIA
 Washington, D. C. 20505

Dear Mr. Ambassador:

We just wanted to thank you again for taking the time to meet with both of our groups last Friday noon.

As you could see we had a very large attendance and our members appreciated the opportunity of seeing and hearing you and learning something more about the CIA.

You received excellent publicity in our local paper as you will see from the attached clipping.

Cordially yours,

Louis Lancaster
 President

LL:jsd
 Enc. 2

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THIS IS CBA . . .



established 1891

Approved For Release 2003/04/02 : CIA-RDP91-00901R000100230058-2

THIS IS CBA . . .

The California Bankers Association is the eyes, ears and voice of banking. Founded in 1891, CBA represents every bank and trust company in the state. It educates and informs its members, represents them in the legislative arena, and serves as their watchdog. The association promotes understanding by our many publics of the diverse services performed by banks and trust companies.

Each year more than 500 bankers from the smallest financial institution in the state to the world's largest, help educate fellow bankers through CBA's conferences, seminars, workshops and the annual convention. Former attendees are now panel discussion leaders, sharing the knowledge they have assimilated through their banking experience and CBA's learning-by-doing philosophy.

CBA's strength lies in its volunteer committee structure which is statewide, and reaches into the communities and neighborhoods for its banking talent. CBA is structured so that it is equally sensitive to the needs of the neighborhoods as well as the broad issues which may have their genesis 3,000 miles away in Washington, D.C., but whose fallout will touch customers and fellow bankers here in California.

A board of directors, balanced with representation throughout California from large and small banks with state and national charters, governs the association's activities.

For your information a brief summary of services available to CBA members is listed below.

The Continuous Program

STATE AND FEDERAL GOVERNMENT RELATIONS

CBA represents members in Sacramento. Through its watchdog activities, the association constantly keeps its members informed of proposed legislation and regulations affecting banking. CBA takes an active role in proposing and supporting legislation beneficial to banking, and the public and opposing measures not in the public interest.

At the Federal level, CBA works closely with the American Bankers Association on federal legislation and regulations. When necessary, the association can move expeditiously to present its expert opinion and testimony before Congressional hearings on issues where California bankers' views are essential to a full understanding of the matters under consideration.

CBA's annual Washington visit to the California Congressional delegation, key staff members and regulatory agencies has resulted in a cross-pollination of ideas, an intangible which enhances the stature of California bankers at the all-important national level.

The true sensitivity to the public pulse, in Sacramento or Washington, comes from the regions. Their representatives, who meet with the CBA State and Federal Government Relations Committees, are on the firing line constantly. Because of this, they possess the sounding board capabilities so essential to efficient banking and meaningful legislation.

The State and Federal Government Relations Committees and the Regions structure have been extended by the Legislative Relations Committee. This Committee's purpose is to strengthen banker-legislator contacts at the community level and to communicate information to bankers and legislators on issues of importance to the industry.

BLEGAL

The CBA staff includes full time counsel, whose responsibility it is to act in an advisory capacity on all matters of legal concern to the association, to prepare reports on pending legislation, current banking laws and regulations, and court decisions of general interest to the industry. In matters of litigation, the association files amicus curiae briefs, and otherwise acts appropriately with reference to the concerns of the banking and trust industries.

BULLETINS AND OTHER PUBLICATIONS

The association issues a wide variety of bulletins and other publications on timely banking subjects. These reports deal with CBA legislative activities, legal opinions and court decisions, new developments in banking operations, credit developments and other information and news.

Perhaps one of the association's most widely distributed publications is the Community Performance Book, an inventory of community services and activities performed by California banks which reach beyond the normally recognized routine banking functions. Many banks in California have contributed information to this publication which was sent to legislators, regulators, the media, libraries and fellow bankers to demonstrate the contributions by California bankers to the communities they serve.

CRIME DETERRENCE

CBA security bulletins keep the entire membership informed on the activities of persons who are unusually successful at defrauding banks or their customers, or who may have developed new and dangerously effective methods of operation. This service has protected many banks and bank customers from losses and has made it possible for member banks to assist in the apprehension of criminals.

The Crime Deterrent Committee, in cooperation with the FBI and various local law enforcement agencies, also sponsors educational seminars and other programs on crime prevention.

BANK EMPLOYEE BENEFIT PROGRAM

More than 25 years ago, the association embarked on a program of group insurance for members. Today, more than 175 banking units are participating in one or more of the eight plans available. Coverage consists of combined basic

life, major medical and dental coverage; vision care; supplemental life insurance; additional supplemental life or "Key Man" coverage; long-term disability income insurance; all-risk accident insurance; and a profit-sharing retirement plan. These plans are under regular review by the CBA Committee on Group Insurance and Profit-Sharing Retirement Plans and are competitive with any others available: yet the smallest institution can participate in CBA plans at the lowest rates. Many members say this service alone is well worth the cost of association dues. The Profit-Sharing Retirement Plan offers bank employees incentive as well as security, with maximum economy, efficiency, and tax advantages for the participating bank. Details on all of these programs are available from the CBA office.

CBA PAYMENTS SYSTEM TASK FORCE

One of the study groups of the association, the Payments System Task Force, is intended to serve as a clearing house of information on the activities of all existing organizations in California which are involved with the electronic transfer of funds. The task force is also charged with keeping members informed of similar payment system activities at the national and international level, including the study of legislation and regulations which may impact on this rapidly developing area of banking service.

BANKING FORMS

The association publishes a forms book containing two or three samples of each of more than forty forms provided by various banks. Members receiving the forms book are required to acknowledge that neither the association nor the contributing banks are responsible for errors and omissions in the forms and they are admonished to review the forms with their own counsel to ensure conformity with legislative changes and court decisions.

BANKING EDUCATION

Through its Training and Education Committee, CBA works to ensure the quality and availability of career growth education for the more than 10% of the nation's bankers who live and work in California. At any given time, about thirty thousand bank employees are enrolled in some form of bank-related education while an equal number of young students are preparing to enter the field of finance by taking industry-coordinated courses and degree programs. These programs are offered by more than one hundred California schools and colleges, the American Institute of Banking-California Chapter, and various in-house training departments. CBA provides technical and administrative assistance to these efforts on behalf of California banks.

NEWS BUREAU

The CBA office, with the assistance of a public relations consultant, serves as an information clearing house about banks and bankers for the media. The association generates information about the banking industry to television and radio news editors, daily and weekly newspapers and business and financial publications. Inquiries from reporters and editors who are seeking information for breaking news stories or feature articles are handled through the CBA office. This availability to the press combined with the regular information program has done much to inform the public about banking.

FILMS AND PAMPHLETS

The CBA office receives many requests from teachers, students, bankers and the public in general for pamphlets and other publications and films on various phases of banking. The association maintains a supply of publications and can obtain an adequate supply of appropriate material from the American Bankers Association or other national banking organizations. A very important tool for secondary school teachers in particular is the Teachers Resource Unit, "The How and Why of Banking," which has been distributed throughout the state to more than 2,000 high schools as well as some junior high schools and junior colleges. Since major elements of this unit are now obsolete, the Board of Directors has authorized the Training and Education Committee to explore with the State Department of Education the desirability and possibility of producing an updated version of the unit. In the meantime, student workbooks are still available for purchase from the CBA office for school distribution.

PACIFIC COAST BANKING SCHOOL

As a sponsor of the Pacific Coast Banking School located at the University of Washington in Seattle, the association is helping members develop promising young officers for future top management positions. The technical training and friendships developed at the school by a substantial number of California bankers each year have a marked influence on the caliber of future management. The association is represented on the PCBS Board of Directors by five California bank officers.

Additional Activities

The association is presented daily with problems submitted by members in writing and by telephone. In the course of a year, these queries touch upon a wide variety of banking activities. The staff prides itself in its ability to give prompt and effective service.

At any given time, there are numerous committee projects in process for specific purposes which benefit the banking

industry in general. The results of this committee work provide extra dividends for membership dues.

In addition to those mentioned in other sections of this publication, CBA has active committees in the following areas:

- Insurance, operations and personnel.

- Consumer lending, creditor remedies, leasing, real estate lending, agricultural lending and commercial lending.

- Investments.

- Taxation, taxation of bank and trust properties.

- Communications and education; research, training and education, public affairs, county key bankers, urban and community relations.

- Trust, employee benefit trusts, fiduciary insurance and real estate, taxation, trust administration and operations, state governmental affairs, federal governmental affairs, trust investments, trust marketing.

- Bank holding companies, insurance, CBA employee benefits, group insurance and profit-sharing retirement plans, international banking, privacy, finance and legal affairs.

As needs arise, or lessen, new committees are formed, or old, no longer necessary committees are dissolved.

CBA's philosophy and policy is to encourage active participation by its committee members and leaders.

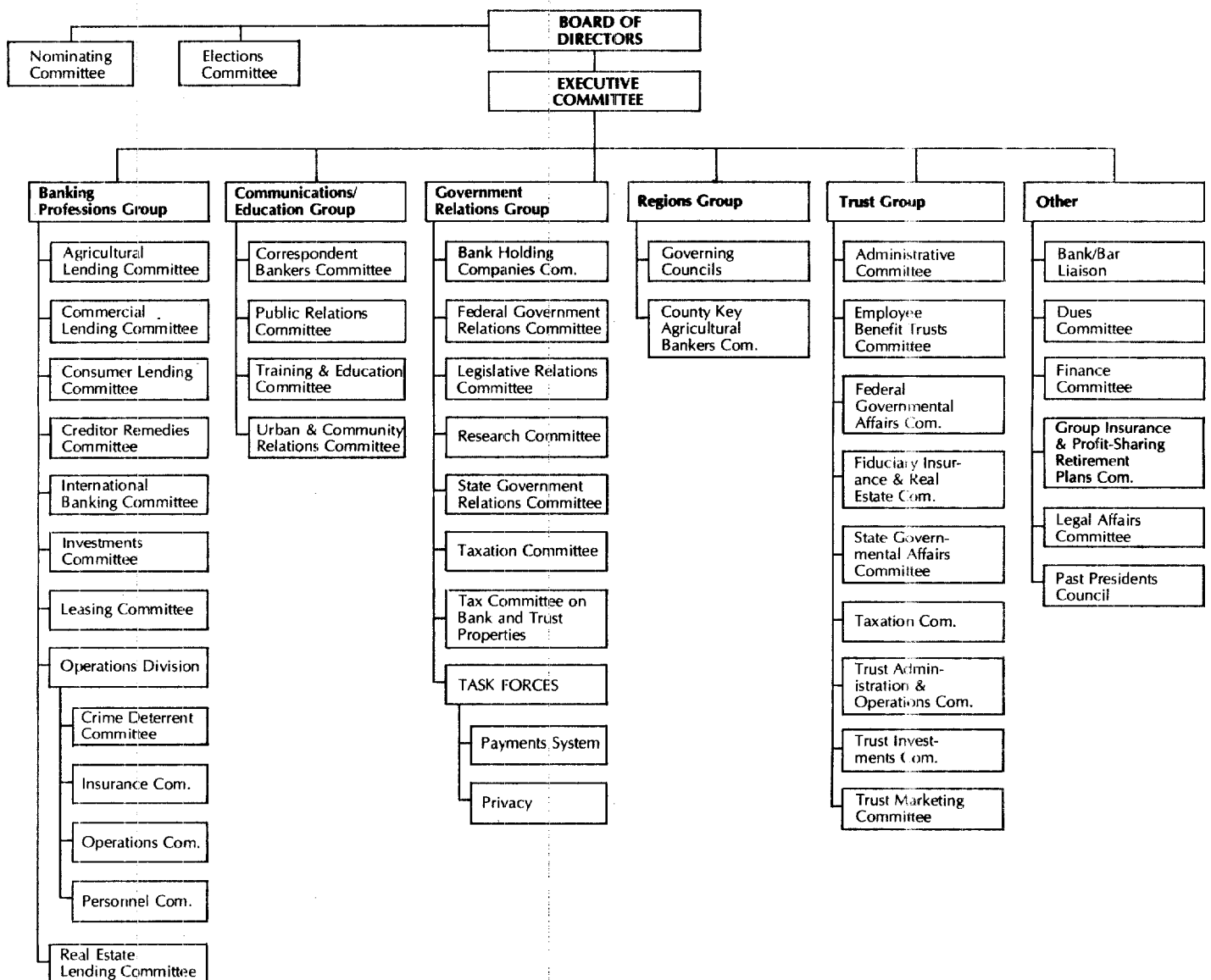
CBA is responsive to the growing needs and demands of its members and the communities they serve.

October, 1977

CALIFORNIA BANKERS ASSOCIATION
Hartford Plaza
650 California Street
San Francisco, California 94108

CALIFORNIA BANKERS ASSOCIATION

FUNCTIONAL ORGANIZATION



The Commonwealth

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THE COMMONWEALTH CLUB
OF CALIFORNIA
SAN FRANCISCO CA 94105

NOVEMBER 6, 1978 • VOL. LXXII • NO. 45

Friday, Nov. 10, Noon

Sheraton Palace Hotel
Gold Ballroom



The Right Reverend **C. EDWARD CROWTHER** Assistant Bishop of the Diocese of California **"HUMAN RIGHTS IN SOUTH AFRICA"**

Reverend C. Edward Crowther was Dean of St. Cyprian's Cathedral in Kimberly, South Africa prior to being appointed Bishop of Kimberly and Kuruman, South Africa in 1965. For two years he was an outspoken critic of apartheid policies in South Africa, and in 1967 Crowther and his family were summarily deported. He returned to California where he has remained outspoken in criticizing the South African government.

Tickets—\$7.50 at the door.

THE HONORABLE SHIRLEY TEMPLE BLACK, Quarterly Chairman

Wednesday, Nov. 15, Noon

Sheraton Palace Hotel
Gold Ballroom



Advance Ticket Sale Luncheon

The Honorable **FRANK C. CARLUCCI** Deputy Director, Central Intelligence

"Real Issues Facing Intelligence and the C.I.A."

Mr. Carlucci's discussion before the Commonwealth Club will cover the need for central intelligence, a definition of the intelligence role in foreign policy, national security, how the agency collects and presents information, and the need for security legislation.

Advance Tickets—\$8.50 for members; \$9.50 for nonmembers. Mail check or money order with self-addressed, stamped envelope to Commonwealth Club, 681 Market St., S.F. 94105, or call 362-4903 for reservations. Names of members attending are requested. Reservations must be guaranteed.

THE HONORABLE SHIRLEY TEMPLE BLACK, Quarterly Chairman

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Friday, Nov. 17, Noon

Fairmont Hotel
Gold Room

Advance Ticket Sale Luncheon

GORDON L. HOUGHChairman of the Board
Pacific Telephone

Advance Tickets \$11 members; \$12 non-members—Mail check and self-addressed, stamped envelope to the Commonwealth Club, 681 Market St., S.F. 94105, or call 362-4903 for reservations. Reservations must be guaranteed.

THE HONORABLE SHIRLEY TEMPLE BLACK, Quarterly Chairman

Wednesday, Nov. 22, Noon

St. Francis Hotel
Colonial Room

Advance Ticket Sale Luncheon

His Excellency The Most Reverend

JOHN R. QUINN, D.D.

Archbishop of San Francisco

"Morality in Government"

Advance Tickets \$10—Mail check and self-addressed, stamped envelope to the Commonwealth Club, 681 Market St., S.F. 94105, or call 362-4903 for reservations. Reservations must be guaranteed.

THE HONORABLE SHIRLEY TEMPLE BLACK, Quarterly Chairman

The Commonwealth

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Togo Denies Japan Is Closed Market

FRIDAY FLASHES—OCTOBER 27, 1978

From Address by
His Excellency Fumihiko Togo
Ambassador of Japan

Japan has recently concluded the Treaty of Peace and Friendship with the People's Republic of China, which has entered into force this week. This Treaty provides the foundations for stable, friendly and cooperative relations between Japan and China, including Japan's cooperation with the Chinese people in their efforts to develop their economy. The treaty was concluded in full agreement that such good relations between us can only benefit Asia and the world. No exclusive arrangement is sought, nor is the treaty directed against the Soviet Union, not to mention the United States. The more open attitude of the Chinese leadership toward the Western countries, not only economically but also politically, should be welcomed, even though there are times when views may differ.

The maintenance of peace and stability on the Korean Peninsula is of deep concern to Japan. Japan enjoys excellent relations with the Republic of Korea. The political stability and economic success of South Korea are remarkable. The free nations of Asia appreciate the United States commitment to defend South Korea as a

SECTION RECEPTION MEETING

Sections on International
Relations and Latin America

Subject: "Brazil—An Emerging Nation And
Its Position in World Affairs"

Speaker: **His Excellency Joao
Bapista Pinheiro
Ambassador of Brazil
to the U.S.**

Date: Mon., Nov. 13
5:15 p.m.—6:30 p.m.
Cocktail Reception and Program

Place: Cotillion Ballroom
Holiday Inn, Union Square

Price: \$2.50
Call 362-4903 for reservations.

This meeting is co-sponsored by the World
Affairs Council of Northern California.

deterrent against disruption of peace on the peninsula. However, the great powers concerned should renew their efforts to create an international environment conducive to lasting peace and stability.

Asian Neighbors

The five ASEAN nations in Southeast Asia have moved with remarkable speed in the last few years toward effective economic, and cultural cooperation, in pursuit of their own national as well as regional goals. Japan is dedicating its economic

(Continued on next page)

Monday, Nov. 27, Noon

Sheraton Palace Hotel
Grand Ballroom

Advance Ticket Sale Luncheon

**His Excellency
OLYEG TROYANOVSKIY**
Permanent Representative to the United Nations
Union of Soviet Socialist Republics

His Excellency Olyeg Troyanovskiy was appointed Permanent Representative to the U.N. for the Soviet Union in January, 1977, after serving from 1968 to 1976 as Soviet Ambassador to Japan. He entered diplomatic service in 1944, and has taken part in a number of important conferences on behalf of the Soviet government.

Advance Tickets—\$8.50 for members; \$9.50 for guests. Mail check or money order with self-addressed, stamped envelope to Commonwealth Club, 681 Market St., S.F. 94105 or call 362-4903 for reservations. Reservations must be guaranteed. Names of members attending are requested. Reservations must be received by Wednesday, November 22 at 4:30 p.m.

THE HONORABLE SHIRLEY TEMPLE BLACK, Quarterly Chairman

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Favorable Outlook For US-Japan Relations

(Continued from preceding page)

strength to peaceful development in Asia and the world. The relationship between Japan and its Asian neighbors is based on equality, cooperation and mutual trust, rather than on economic domination of the region. The role Japan intends to play in Pacific Asia, and the role the nations of Southeast Asia expect of Japan, is, in Prime Minister Fukuda's words, "that of a non-military neighbor, devoted exclusively to peace-building."

Asia's economic-development needs are enormous, but the productive potential of the region, in both human and natural resources, is also vast. Besides, the free nations of Pacific Asia have accepted primary responsibility for their own development, and are already achieving impressive results. In fact, ASEAN and the other high-growth economies of Pacific Asia are the only nations on earth whose real GNP is now doubling every seven to 12 years.

Peace in Pacific Asia

Among the more challenging tasks Japan and the United States face together is the consolidation of peace in Pacific Asia, and the promotion of both nation-building and regional cooperation to achieve a common prosperity in this diverse and dynamic region.

The continuing presence of the United States in the Asian Pacific, politically, economically and militarily, is essential to these purposes. Probably the United States presence in Asia and the Pacific is less conspicuous than in some of the other parts of the world. Its importance, however, is well understood throughout Asia. For that reason, Japan and your other friends and allies in free Asia warmly welcomed Vice President Mondale's reaffirmation, a few months ago in Hawaii, that "America is unalterably a Pacific power," not only for reason of history and geography, but also as a conscious choice.

There are other important challenges facing the Japanese-American partnership. One is to insure a successful outcome to the often-troubled Tokyo Round of multilateral trade negotiations in Geneva. It is in the trade areas, however, and especially bilateral trade issues, where

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State Surplus
ERRATA: From address by
Evelle J. Younger,
Republican Candidate for Governor
California Attorney General
October 13, 1978

The dollar amounts referred to in Younger's remarks were incorrectly shown. His reference to the state budget should have read:

Now, let me talk to you about California's State surplus. It is a significant issue in considering the administration's attitude about taxpayers. The surplus grew from \$3.5 billion to \$6 billion just before the election. That is your money. The State not only kept it, it collected interest on your money. I said in January, "give it back." The Governor responded to my letter by not answering it. The Legislature was trying to figure out a way to spend this surplus when you passed Proposition 13.

We will have \$5 billion plus in surplus by 1979. Approximately \$2.5 billion is already allocated for Proposition 13 relief. Proposition 13 was a windfall for the State. You pay more state income taxes than before Proposition 13. You do not have the high property tax deduction. In the first two months of this year, the State took in more money than it expected. If this continues, the State surplus will be \$10 billion. (JMR)

our mutual understanding and the synchronizing of our policies have been less successful.

U.S.-Japan Economies

There are striking differences in structure and capacity between our two economies. The most obvious difference is in sheer size, since both population and GNP, Japan is roughly half the size of the United States.

Our structural differences are more significant, since the United States is a far more diversified economy, rich in natural resources and in agricultural land. Although the United States is becoming increasingly dependent on imports of oil and other industrial materials, this dependence in 1977 amounted to not quite half of total American imports. Japan, in contrast, has virtually no natural resources or fossil fuels, and extremely limited land. Therefore, Japan's economy is far more dependent on imports of raw materials and foodstuffs, constituted over 78 percent of Japan's total imports last year.

US Efforts

(Continued from preceding page)

and foodstuffs, constituted over 78 percent of Japan's total imports last year.

American Exports

Our respective export patterns reflect these differences in structure and capacity. Nearly 30 percent of America's exports last year consisted of industrial supplies and materials, including energy exports such as American coal. Another 16 percent of your exports in 1977 consisted of foods, feeds and beverages. The rest of your exports consisted of manufactured goods. But for Japan, with almost nothing else to offer the world, over 96 percent of our 1977 exports consisted of manufactured goods.

There is nothing unfair about these inevitable trade patterns. I have heard some Americans say that Japan is treating the United States as a "colon"—buying up American raw materials and foodstuffs, shutting out American manufactured goods, and "flooding" the American market with Japanese manufactured goods which are threatening American industry and destroying American jobs. This is simply not so.

Nonetheless, in spite of the recent declining volume in Japan's exports, our bilateral trade continues to be imbalanced in dollar value. A proper cure needs to be found.

Trade Deficit

It is true that in 1977 the United States had the largest trade deficit in its history, \$31 billion. But it is also true that only years earlier, in 1975, the United States had the largest trade surplus in its history, \$9 billion. Something happened to boost American imports during this period while American exports remained more or less level.

Your economists have not had to look very far for the answers. The biggest single factor in the \$40 billion swing from trade surplus to trade deficit was the growing American dependence on costly energy imports. The United States has also been expanding its imports of other industrial materials and supplies, including essential minerals. Altogether these essential imports now account for about half of America's total imports. The fast-growing

SECTION LUNCHEON MEETING Section on International Relations

Subject: "The Third World & the U.S.—
Partners or Plaintiffs?"

Speaker: **David D. Newsom**
**Under Secretary of State
for Political Affairs**

Date: Thurs., Nov. 16

Place: Elks Club
456 Post Street

Price: \$5.00

Call 362-4903 for reservations

This meeting is co-sponsored by the World
Affairs Council of Northern California.

imports of both industrial and consumer goods from the rest of the world, however, still struggling with slow economic recovery, has not been able to draw in comparable levels of American exports.

Economic Summit

It was in recognition of these facts that the July economic summit in Bonn agreed on the need to stimulate faster economic recovery in Western Europe and Japan. Narrowing the gaps in national growth rates should help narrow the gaps in our international trade and payments balances. And, as I am sure you are aware, Prime Minister Fukuda is holding Japan to its target of 7 percent real growth this year, which is by far the highest growth target of any of the advanced industrial democracies.

In short, there is no real disagreement on fundamental policy among the world's great economic powers. There is common recognition that the world energy problem is unique, and that it demands much broader international cooperation on oil conservation and the development of alternative energy sources for the future. The enactment of the energy bill by Congress is a major step forward, and welcome news not only for you but for all of us.

There is also general recognition that, apart from energy, most of the world's economic troubles and dislocations would be much more manageable if the rest of the advanced industrial economies of the world were enjoying the same healthy growth as the United States.

Tariff Levels

Probably it is difficult for many Ameri-

(Continued on next page)

Togo Stresses Need for U.S. Presence in Pacific Asia

(Continued from preceding page)

cans to think of their economy as the world's strongest and healthiest. Yet, on almost every count, the American economy has outperformed every other major industrial economy in the world during the last four years, and is still doing so.

I should like to turn to some aspects of our bilateral trade. Up to some 15 years ago, when Japan had been in continuous trade deficit with the United States and many other trading partners, the Japanese market had had many features of a protected market. However, there have been substantial changes in the area of tariff and non-tariff barriers, and I hope the American people do not look at the Japanese market with an out-of-date image.

In terms of tariff levels, the Japanese market has for a number of years been at least as open as any other major market economy in the world including the United States. Moreover, Japan has offered deeper tariff cuts at the multi-lateral trade negotiations in Geneva than any other major trading nation.

Import Quotas

There are, of course, some quantitative restrictions, primarily on agricultural products, as commonly practiced in many other countries. We have, for instance, import quotas on citrus and beef, but even these quotas have been gradually increased. I must point out that the possible trade benefits to the United States of any further expansion of these agricultural exports would be only marginal, while the social consequences to Japan could be tragic.

We also hear about the complaint that there are other mysterious Japanese import barriers such as cultural bias against imports, or a too-complex distribution system, or even the Japanese language. I should like to suggest, however, that the mysteries of penetrating the affluent Japanese market of some 113 million consumers should be no more difficult for American entrepreneurs who are serious about it than it was for Japanese entrepreneurs to learn, at considerable cost over the past 15 or 20 years, how to succeed in the much larger, more diversified, and equally competitive American market.

Advanced French Language Class

The advanced French language class is now meeting in the Club office facilities on Tuesday at 12:15 p.m. for reading and grammar with instructor Sandy Calio. At 1:00 p.m., Dr. Linda Cypres will take over the class for an hour of conversation on topics of current interest.

Club members are welcome to join the class for either or both sections of the class period.

Investment Opportunity

My esteemed counterpart, Ambassador Mike Mansfield, stated the problem very aptly in a recent interview with *U.S. News & World Report*. Acknowledging that the Japanese market is in some respects difficult, he said, "Still, opportunities for American companies are here right now if they will come in for the long pull and not for the quick buck."

I should like to point out also that other countries, European and Asian, are successfully expanding their shares of the Japanese market at the expense of the United States.

Since the 1968-70 period, they demonstrate, the American share of Japanese imports of capital equipment has dropped from 61 percent to 51.3 percent, and for consumer durables from 39.5 percent to 27.2 percent. The beneficiaries have been the newly industrializing countries of East and Southeast Asia and the European Community. Japanese government statistics show that, while the American share of Japanese imports of electrical machinery was dropping from 73.4 percent to 51.6 percent, between 1970 and 1977, the European Community's share of this same market rose from 12 to 21.2 percent, and developing Asia's share rose from 5.4 to 21.9 percent.

Export Drive

I do not know the answer to this problem, but it is obviously not because the Japanese market is "closed to imports," or is too difficult or mysterious for foreigners to penetrate. Secretary of Commerce Juanita Kreps, and Assistant Secretary Weil, are showing great energy and resourcefulness in trying to alert and mobilize American industry for a stronger export drive. They recently accompanied

THE COMMONWEALTH

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APPLICATIONS FOR COMMONWEALTH CLUB MEMBERSHIP

If no objections have been filed with the Club Office prior to Monday, November 20, 1978, the following applicants will stand elected:

BAKER, JOANNA, banker, Bank of America, S.F. Proposed by Membership Committee.

BRADFELD, DR. ANNE F., director, Pupil Personnel Services, Alameda Unified School District, Alameda, Ca. Proposed by Rachel P. Young.

CAMPBELL, MICHAEL L., farmer, Campbell Farms, Inc., Clarksburg, Ca. Proposed by Ron Enomoto.

CHRISTIE, MICHELE, student/broker, San Francisco State University & Foreign Exchange Ltd., S.F. Proposed by Klaus Schmidt.

COAD, DWIGHT S., minister, semi-retired, Am. Baptist Churches, S.F. Proposed by Ed Mathison.

COPPOLA, ANGELA, president, Coppola Creative Concepts, Mill Valley, Ca. Proposed by Dr. Kim McKell.

COREY, GEORGE R., attorney at law, Corey & Orton, Millbrae, Ca. Proposed by Renee Rubin.

DAVIS, GEORGE T., attorney at law, S.F. Proposed by M.J. Brassington.

DUNN, JAMES, president, Winchester Leasing Corp., Saratoga, Ca. Proposed by William D. Kron.

FASBINDER, RICHARD G., salesman, Plushbottoms, S.F. Proposed by Frances Campira.

FONTANA, G., business agent, Union of American Physicians & Dentists, Oakland, Ca., Proposed by Frank L. Mah.

GARNER, JAMES L., newspaper publisher, Ukiah Daily Journal, Ukiah, Ca. Proposed by Ruel R. Stickney.

GOEHRING, DOROTHEA, realtor associate, Sonoma Properties, E., Sonoma, Ca. Proposed by Allen B. Carr.

GRAMS, LESLIE R., M.D., medical doctor, O'Connor Hospital, Cupertino, Ca. Proposed by Noel J. Brown.

GREENHILL, KALMAN, finance consultant, S.F. Proposed by Hope Greenhill.

GUSTAFSON, J.P., retired, Walnut Creek, Ca. Proposed by J. Michael Reidenbach.

HEMMERLING, BONNIE H., bank officer, Bank of California, N.A., S.F. Proposed by Richard Hazelwood.

HOBSON, R.L., attorney, Bank of America, Lafayette, Ca. Proposed by Jan V. Armstrong.

HUMPHREY, TITUS, Eastman Kodak, Oakland, Ca. Proposed by M.J. Brassington.

KRENZ, RICHARD A., attorney, Barfield, Barfield, Dryden & Ruane, S.F. Proposed by John Koeppel.

LEITNER, PHILIP, PH.D., professor of biology, St. Mary's College, St. Mary's College, Moraga, Ca. Proposed by Jerrold F. Vistica.

LONG, NEIL GRANT, builder, engineer, Long Construction Investment Company, Hayward, Ca. Proposed by Thomas R. Long.

MANKIN, ROXANNE, real estate investment, Marcus & Millichap, Berkeley, Ca. Proposed by Phyllis O'Shea.

MC ADAMS, DR. MARK D., optometrist, Peninsula Center for Blind, Hayward, Ca. Proposed by William Fife.

MC CLURE, C. MICHAEL, lawyer, Walker McClure Bohnen & Brehmer, Monterey, Ca. Proposed by George R. Walker.

MC GLYNN, JACK, attorney, Lossing, McGlynn & McLorg, S.F. Proposed by Carl G. Berry.

MC KIBBIN, M. L., retired, S.F. Proposed by Marjorie McKibbin.

MONK, D.J., retired, Antioch, Ca. Proposed by Lewis W. Silvera.

MONTANO, JOSEPH, travel agent—owner, Corporate Travel Services, Oakland, Ca. Proposed by John L. Darby.

REYNOLDS, ANN S., housewife-teacher, Piedmont Schools, Piedmont, Ca. Proposed by Jack Shuman.

ROCKAS, ELLEN GAIL, teacher/student, Montessori of Los Altos, Redwood City, Ca. Proposed by Leigh Steinberg.

RUDENKO, VLADIMIR, security analyst, Crocker Investment

SCHNIEDER, DAVID, M.D., medical doctor, San Jose Medical Clinic, Los Altos, Ca. Proposed by Vincent Piccioni, M.D.

SLATER, DELORIS R., Hayward, Ca. Proposed by Frank Close, M.D.

SPADE, R. A., banker, Crocker National Bank, S.F. Proposed by Hon. Wakefield Taylor.

SPECK, JOSEPH, television producer, Beverly Hills, Ca. Proposed by Joseph S. Miller, Jr.

STRANGE, DAVID A., M.D., physician, Permanente Medical Group, San Rafael, Ca. Proposed by Ian M. Strange.

THOM, DONALD, retail lumberman, Bruce Bauer Lbr., San Carlos, Ca. Proposed by George S. Krusi.

THOM, JOCELYN, San Carlos, Ca. Proposed by George S. Krusi.

TIBBY, EDWARD, associate director, Western Regional Office, College Board, Lafayette, Ca. Proposed by John B. Wilkins.

TORRIGINO, MARIO M., law student, USF School of Law, Pacifica, Ca. Proposed by Steven A. Diaz.

VALENTINE, JOSEPH W., social work administrator, United Way of the Bay Area, S.F. Proposed by John L. Darby.

VANSTEENBERGE, PATRICIA, court reporter, Tooker & Antz, S.F. Proposed by Sandra Roth.

WOLCOTT, EARL S., III, attorney, Rogers & Associates, S.F. Proposed by Harold E. Rogers, Jr.

November 6, 1978 BENJAMIN F. BIAGGINI, Secretary

US-Japan Discuss Energy Resources

(Continued from preceding page)

the largest export-development mission the United States has ever sent abroad on a two-week visit to Japan, under the leadership of Mark Shepherd of Texas Instruments. I believe this is a good start.

There are also vast new frontiers for collaboration between our two economies. The barely explored frontiers of exotic energy sources is one of the most important of these, since the end of the Petroleum Age is already within sight. Last May, Prime Minister Fukuda proposed to President Carter, when they met in Washington, that the United States and Japan pool substantial technical and financial resources in a concerted research and development effort in such areas as nuclear fusion and solar energy. Technical discussions between the two governments have now begun, and we are hopeful that practical cooperation will soon follow.

Economic Challenges

These are the kinds of economic challenges Japanese and Americans should be talking about with each other. We ought to be marching toward tomorrow's frontiers. This is what the rest of the world expects of us.

(JMR)

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THE CLUB'S SECTION MEETINGS

Monday, November 6

INTERMEDIATE SPANISH

Instructor George Zaine. Section Meeting Room, Club Office.

Tuesday, November 7

ADVANCED SPANISH

Instructor E. L. Bledsoe. PG&E, Room 304, 77 Beale Street, S.F.

ADVANCED FRENCH

Instructor Linda Cypres. Section Meeting Room, Club Office. (see inside story on page 368)

BEGINNING JAPANESE

Instructor Ryoko Winter. Room 573, 681 Market Street, S.F.

Wednesday, November 8

AFRICA

"The Radical Opposition in South Africa," by Peter Dreyer, native South African and member, South Africa Liberal Party. Room 573, 681 Market Street., S.F.

BEGINNING FRENCH

Instructor Lory Boddy. Section Meeting Room, Club Office. (Class closed)

Thursday, November 9

INTERMEDIATE FRENCH

Instructor Suzanne Calio. Section Meeting Room, Club Office.

Tuesday, November 14

ENVIRONMENT & ENERGY

"Can The U.S. Become Energy Self-Sufficient?—The Outlook For Coal," Royal Suite, Sheraton-Palace Hotel, S.F.

CALIFORNIA BALLOT PROPOSITIONS—NOVEMBER 1978

Recommendations of Members of the
Commonwealth Club of California

No.	Title	YES	NO
1.	Veterans Bond Act of 1978	59.38%	40.62%
2.	Public Utilities Commission: Hearings & Investigations	36.43%	63.57%
3.	State Property: Surplus	49.73%	50.27%
4.	Practice of Chiropractic	23.08%	76.92%
5.	Regulation of Smoking Initiative	42.84%	57.16%
6.	Homosexuality Initiative	38.60%	61.40%
7.	Death Penalty Initiative	69.67%	30.33%
8.	Tax Limitation	72.97%	27.03%

NOTE: Copies of the Club's Report on the 1978 Ballot Propositions are available in the Club Office.

The Commonwealth

Commonwealth Club of California
681 Market Street
San Francisco, California 94105

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WILLIAM O. HOVERMAN
MANAGER, PALMDALE EXTERNAL
AFFAIRS & COMMUNICATIONS
ROCKWELL INT'L, SPACE SYSTEM
GROUP

1500 AVENUE M
PALMDALE, CA 93550

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